

Message Text

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PAGE 01 DACCA 01644 161123Z
ACTION AID-59

INFO OCT-01 NEA-10 ISO-00 L-03 TRSE-00 EB-08 CIAE-00
INR-10 NSAE-00 ABF-01 OMB-01 /093 W
-----005506 170307Z /73

R 160821Z MAR 78
FM AMEMBASSY DACCA
TO SECSTATE WASHDC 8491
INFO AMEMBASSY ISLAMABAD

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JOINT STATE-AID MESSAGE

E.O. 11652: N/A
TAGS:
SUBJECT: PAYMENT OF PIA INVOICES

REFS: A. DACCA 468-FEBRUARY, 1972, B. ISLAMABAD 1363
FEBRUARY 1972, C. STATE 28967 FEBRUARY 1972, D.
DACCA 0615 FEBRUARY 1972, E. STATE 33063 FEBRUARY 1972,
F. STATE 262663 NOVEMBER 1974 G. DACCA 5606 DECEMBER 1974

1. ALL OF ABOVE REFERENCES ARE STATE/EMASSY MESSAGES AND
TO THE BEST OF OUR KNOWLEDGE THE ISSUES SURROUNDING THIS
MATTER HAVE NOT BEEN PREVIOUSLY REPORTED TO AID/W.

2. SUMMARY - OVER THE PAST SEVERAL YEARS BANGLADESH BIMAN
AIRLINES HAS PRESSED THEMBASSY/USAID FOR THE SETTLEMENT
OF APPROXIMATELY DOLS 30,000 IN CLAIMS FOR VARIOUS AIR
SERVICES RENDERED BY PAKISTAN INTERNATIONAL AIRWAYS PRIOR
TO BANGLADESH INDEPENDENCE. OF THE TOTAL CLAIM
APPROXIMATELY DOLS 11,000 IS FOR USAID AND ON THE
SURFACE APPEAR TO REPRESENT LEGITIMATE CLAIMS BY EITHER
PIA OR BB. THE BB AFTER INDEPENDENCE SEIZED ALL ASSETS
OF PIA INCLUDING THEIR ACCOUNTS RECEIVABLE, AND TO DATE NO
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PAGE 02 DACCA 01644 161123Z

SETTLEMENT BETWEEN THE TWO AIRLINES HAS BEEN REACHED.
HENCE EMBASSY/USAID HAVE RESISTED PAYMENT UNTIL ASSURANCES
COULD BE RECEIVED THAT WE WOULD NOT BE FACED WITH A
SUBSEQUENT CLAIM FROM ONE OR THE OTHER. ON MARCH 15 A
FINANCIAL OFFICER FROM BB MET WITH EMBASSY B&F OFFICER
AND USAID CONTROLLER AND AGAIN REQUESTED SETTLEMENT OF THE
CLAIMS. SINCE THIS MINOR MATTER HAS BEEN PROTRACTED AND IS

NOW A BIT OF AN EMBARRASSMENT THE EMBASSY/USAID WOULD LIKE
TO RESOLVE IT ONE WAY OR ANOTHER. END SUMMARY.

3. ASIDE FROM THE MATTER OF WHO TO PAY THERE ARE SEVERAL
OTHER TECHNICAL/LEGAL ISSUES THAT SURROUND THIS PROBLEM.
TO WIT. MOST CERTAINLY ALL OF THE BILLS TO USAID WERE
FUNDED FROM THE PAKISTAN TRUST FUND WHICH HAVE BEEN
SUBSEQUENTLY DEOBLIGATED.

4. RECENTLY EMBASSY ECONOMIC OFFICER INFORMALLY MENTIONED
THIS MATTER TO PIA REP AND ASKED IF PIA WOULD QUITCLAIM
THEIR RIGHTS, AND THE REP REPLIED THAT HE DOUBTED THAT PIA
WOULD BE WILLING TO DO THIS. AT SAME TIME THE REP STATED
THAT HE ALSO DOUBTED THAT PIA WOULD EVEN PRESENT A CLAIM
SINCE AT THE TIME OF THE SEIZURE THE BDG ALSO CON-
FISCATED OR DESTROYED ALL OF THE BOOKS AND RECORDS,
AND PIA WOULD HAVE NO BASIS FOR PREPARING OR SUBSTAN-
TIATING THEIR CLAIMS. THIS WAS REINFORCED IN THE
MEETING WITH THE BB FINANCIAL OFFICER IN THAT HE
INFORMED THE CONTROLLER AND B&F OFFICER THAT BB HAD
ALL OF THE ORIGINAL DOCUMENTATION AND THAT PIA HAD NO
WAY OF RECONSTRUCTING THE CLAIMS.

5. IN ORDER TO BRING THIS LONG OVERDUE ISSUE TO A
CONCLUSION THE EMBASSY/USAID RECOMMEND THAT THE
DEPARTMENT AND AID/W SEEK WHAT EVER APPROVALS ARE REQUIRED
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PAGE 03 DACCA 01644 161123Z

FROM CG AND OR CONTROLLER GENERAL TO PAY CLAIMS TO BB
ON THE ASSUMPTION THAT PIA WILL NOT MAKE A CLAIM, WHICH
APPEARS TO BE A REASONABLE ASSUMPTION. IN SO FAR AS
FUNDING IS CONCERNED EITHER AN INCREASE OF APPROXIMATELY
DOLS 11,000 IN USAID MOB WILL BE REQUIRED OR WE SETTLE
WITH BB OUT OF THE PAKISTAN TRUST FUND WHERE THE BOLIGA-
TIONS WERE ORIGINALLY ESTABLISHED. IF THE LATTER COURSE
WERE FOLLOWED USAID/PAKISTAN WOULD HAVE TO GIVE USAID/B
A CITATION OF A DOLLAR APPROPRIATION TO WHICH WE COULD
CHARGE THE PAYMENTS. SUBSEQUENTLY USAID/B WOULD PREPARE
AN ADVICE OF CHARGE TO USAID/P WHO COULD TRANSFER THE
CHARGES VIA A FORM 1097 TO THE TRUST FUND. THE EMBASSY
HAS OBLIGATIONS ESTABLISHED FOR THE PAYMENT OF THEIR
PORTION OF THE CLAIM.

6. NATURALLY IF APPROVAL TO SETTLE WITH BB IS RECEIVED
WE WILL MAKE CERTAIN THAT ALL OF THE CLAIMS ARE LEGITI-
MATE, HAVE NOT BEEN PREVIOUSLY PAID, AND ARE OTHERWISE
CORRECT FOR PAYMENT.

FYI - IT IS OUR OPINION THAT NO MENTION OF THIS PROPOSED
SETTLEMENT SHOULD BE MADE TO PIA. END FYI.

DECONTROL 12/31/78
BERGESEN

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Message Attributes

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